

Collection Agency Services RFP Job No. 04-12-FA
Questions and Responses as of:
February 17, 2012

- 1) What is the date by which you will answer these questions? **February 21, 2012.**
- 2) How many vendors do you anticipate awarding this contract to? **One.**
- 3) Who are your current collection vendors? **No current vendor for the collections to be under this contract. The City uses Alliance One for Municipal Court collections and Elliot Bay collections for code violations collections.**
- 4) Why is the contract out to bid at this time? **The City has recently increased their utility customer base by approximately 11,000 new accounts for garbage service. The anticipated annual bad debt on these accounts is \$50,000. In addition, other areas of City billing may begin to use collection services as part of the collections process including but not limited to business licenses, admission taxes and gambling taxes.**
- 5) Can you clarify the difference between the two types of debts, what is an RCW (RCW 19.16.500) account vs. a non-RCW account? **RCW accounts are those that would be collected utilizing RCW 19.16.500, which allows the City to add collection cost to the original amount owing. This returns 100% of the debt to the City, when collected, and allows the agency to keep the added collection cost.**
- 6) What percentage are RCW 19.16.500 collections? **Current contracts with previously mentioned collections have been 100% RCW 19.16.500. It is anticipated that this contract will also be 100% RCW 19.16.500 collections.**
- 7) Can you elaborate more on the different types of debt outside of the RCW 19.16.500 classifications? **Currently there are no debts outside of the RCW 19.16.500 classifications.**
- 8) To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)? **Location will be considered in the evaluation process to determine if it has a positive or negative influence on the vendor's ability to successfully fulfill the contract.**
- 9) Is there a specified timeframe to resolve an account? **Not currently. The City is looking to improve collections and implement best practices.**
- 10) Does the City anticipate on receiving 100% of the check face value? **Yes.**
- 11) What are the city's minimum balances forwarded to collections? **\$50.00.**

12) What is the volume of accounts to be placed (backlog) (i.e. account total and dollar value total)?

	<u># of Accts</u>	<u>Total \$ Value</u>
i. Garbage utility customers	300	\$80,000
ii. Tax collections: Admissions/Gambling	5-10	\$60,000
iii. Business Licenses	1000	\$50,000
iv. False Alarm invoices	No data available at this time	

13) What is the total number of delinquent accounts (including dollar amount) that are available for placement?

<u>Delinquent Account</u>	<u>Avg. Mo #</u>	<u>Avg. Dollar</u>
i. Garbage utility customers	50 Accts	\$120.00
ii. Tax collections: Admissions/Gambling	Billed semi-annual (less than 5/mo.)	\$20,000
iii. Business Licenses	30 Accts	\$100
iv. False Alarm invoices	No data available at this time	

14) What is the average age of accounts that are available for placement by account type?

- i. Garbage utility customers – 90 days
- ii. Tax collections: Admissions/Gambling – 6 months/2 years
- iii. Business Licenses – 1 year
- iv. False Alarm invoices – No data available at this time

15) What information are placed accounts accompanied by? (i.e. Social, Phone Number, Address); Anticipated information includes phone number and addresses.

16) What collection activity is performed prior to placing accounts with contractor(s)?
Accounts for this contract are not currently placed in collections. Current process includes: delinquent notices – 1 or 2 and lien notices if applicable.

17) Under requirements section B: Is the city of Kirkland looking for a copy of our specific company's contract for services or the City of Kirkland's contract with the vendor information filled into the blanks provided? The City of Kirkland is looking to have its contract elements included in the final contract and looking for best practices from the vendor's contract to be included. The City of Kirkland is open to reviewing a vendor's contract.

18) What areas, processes and/or results are you looking to improve or enhance under this new contract? Creating collections processes, streamlining collections, implement best practices.

19) After the initial placement, will vendors receive further placements based on their competitive performance on the contract? Possibly, there are currently two collections vendors for other City functions which could be reviewed for inclusion on this contract in the future.

- 20) To what extent are these accounts owed by private consumers versus commercial businesses? [There is a mix of private consumers and commercial businesses. The City is considering collections for businesses who are delinquent in business license fees and various taxes due and for private consumers with delinquent garbage bills.](#)
- 21) Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also? [Primary placements.](#)
- 22) What collection attempts are performed or will be performed internally prior to placement? [Delinquent letters and phone calls.](#)
- 23) Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval? [The City does not currently have a policy regarding this and would be willing to review this option.](#)
- 24) What are the monthly or yearly placement volume, dollar amount and age of accounts as well as historical liquidation rates? [There is no history available as the City has not used collection services for this activity in the past.](#)
- 25) What is the current contingency rate by the incumbent vendor? [No incumbent vendor.](#)
- 26) What is the current average recovery rate of accounts placed? (at 1 month, 6 months, 12 months) – [There is no history as there is no current vendor.](#)
- 27) What has the volume been in total dollars referred and number of accounts referred over the last 3 years? [Not applicable, no current vendor.](#)
- 28) What has the collection percentage been for the last three years respectively? [Not applicable, no current vendor.](#)
- 29) What is the percentage of recovery for the current contractors for each debt type? [Not applicable, no current vendor.](#)
- 30) What is the percentage of recovery for each of the current / past collection agency vendors? [Not applicable, no current vendor.](#)
- 31) What was the number of accounts authorized for legal during the past 12 month period? [Not applicable, no current vendor.](#)
- 32) What was the total amount of money collected from legal accounts (assigned to attorney) during the past 12 month period? [Not applicable, no current vendor.](#)
- 33) What is the current / past contracted contingency fee rate percentage for standard collections and for legal collections? [Not applicable, no current vendor.](#)

- 34) What was the amount paid to collection service contractor(s) during the past 12 month period? [Not applicable, no current vendor.](#)
- 35) How long have your current vendors provided collection services for your organization? [Not applicable, no current vendor.](#)
- 36) What are the fees utilized by your current vendor? [Not applicable, no current vendor.](#)
- 37) Who are the incumbents, and how long have the incumbents been providing the requested services? [Not applicable, no current vendor.](#)
- 38) Has the current contract gone full term? [Not applicable, no current vendor.](#)
- 39) Have all options to extend the current contract been exercised? [Not applicable, no current vendor.](#)
- 40) What current contingency fees or other fees are currently being billed by any incumbent(s), by category? [Not applicable, no current vendor.](#)
- 41) What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? [Not applicable, no current vendor.](#)
- 42) What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)? [Not applicable, no current vendor.](#)
- 43) What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement? [Not applicable, no current vendor.](#)
- 44) If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up? [Not applicable, no current vendor.](#)